

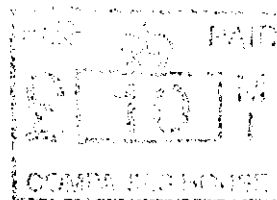
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COMPANIES FORM No. 395
Particulars of a mortgage or charge

395

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write in this
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Pursuant to section 395 of the Companies Act 1985



CHA 233

To the Registrar of Companies

For official use

Company Number

4195559

Name of company

Lymington Underwriting Limited

*insert full
name of
company

Date of creation of the charge

1 January 2002

Description of the instrument (if any) creating or evidencing the charge (note 2)

Amendment and Restatement Lloyd's American Surplus or Excess Lines Insurance Joint Asset Trust Deed ("the Trust Deed") dated September 7, 1995 (as amended and as supplemented from time to time and as supplemented by a Deed of Accession made on 3 January 2002) made or expressed to be made among
(continued on Continuation Sheet).

Amount secured by the mortgage or charge

1. The payment of all expenditure and fees of the Trustee including legal fees and expenses actually incurred by or on behalf of the Trustee in connection with its administration, preservation or conservation of the Trust and its counsel fees and expenses and other disbursements incurred in administering, preserving or conserving the Trust ("Trustee Priority Claims"); provided, however, that this amount shall not exceed US\$4,000,000 or 4% of the value of the Trust, whichever is less. The Company irrevocably grants to the Trustee a first priority security interest and a lien upon the lesser of (i) US\$4,000,000 or (ii) 4% of the value of the Trust.
2. The payment of any amount in excess of the amount necessary to satisfy Trustee Priority Claims (as limited by the proviso in (1) above), in respect of Matured Claims, provided that
(continued on Continuation Sheet).

Names and addresses of the mortgagees or persons entitled to the charge

The Trustee (being, as at the date hereof, Citibank N.A. of 111 Wall Street, New York, NY USA), Lloyd's of One Lime Street, London, England, all Policyholders and Third-Party Claimants, and
(continued on Continuation Sheet).

Presentor's Name address and
reference (if any):

Lloyd's
One Lime Street
London
EC3M 7HA

ref: Legal Services Department

For official use
Mortgage Section

Post room

Time critical reference



LD7
COMPANIES HOUSE

0171
21/01/02

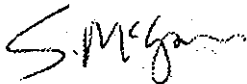
Short particulars of all the property mortgaged or charged

1. The Trust Fund.
2. Cash in US currency or specifically designated Readily Marketable Securities and/or Letters of Credit substituted by Current Contributors at any time for any cash or assets then forming part of the Trust Fund.
3. Cash drawn down on any Letter of Credit at any time and held as an asset of the Trust Fund pursuant to the terms of the Trust Deed.
4. Further contributions to the Trust Fund received by the Trustee from time to time and held subject to the terms and conditions of the Trust Deed.
5. Any advance of cash or securities by the Trustee to the Trust Fund in order to effect or expedite the purchase or sale of securities for the Trust, and the property so purchased and the proceeds from the sale.
6. Any investments or other assets held by the Trustee under the Trust Deed in the name of a nominee.
7. All interest, dividends and other income resulting from the investment of the property in the Trust Fund, so far as necessary to maintain the Trust Fund Minimum Amount and provide for the Trustee's interests provided in the Trust Deed. (continued on Continuation Sheet No. 4)

Please do not
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Please
complete
legibly,
preferably in
black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)



Signed

Date

18 January 2002

On behalf of [company] [mortgagee/chargee*]

*delete as appropriate

NOTES

1. The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
2. A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
3. In this section there should be inserted the amount or rate per cent, of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
4. If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

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Description of the instrument (if any) creating or evidencing the charge (continued) (note 2)

(i) Lloyd's, having its principal office at One Lime Street, London, England (ii) each of the Grantors, including the Company, and (iii) Citibank N.A., a national banking organisation organised and existing under the laws of the United States of America and having its principal offices at New York, New York ("the Trustee"), as amended from time to time by the Council with the prior written consent of the Superintendent of Insurance of the State of New York and the IID.

"Current Contributors" means those persons (whether individuals, bodies corporate or partnerships and whether or not Underwriters) whose contributions to the Trust Fund constitute the principal of the Trust Fund for the time being, the total amount contributed for the time being to be the "Current Contributions", and each contribution to the Trust Fund to be a "Current Contribution".

"Grantor" means a person who is a Current Contributor to the Trust Fund at the date of the Trust Deed or a person who becomes a Current Contributor to the Trust Fund thereafter.

"IID" shall mean the International Insurers Department of the National Association of Insurance Commissioners ("NAIC"). Decisions under the IID Plan of Operation are made by State Insurance Commissioners acting pursuant to the constitution and bylaws of the NAIC.

"Trust Fund" or "Trust" means the property in the actual and sole possession of the Trustee and held under the provisions of the Trust Deed.

All expressions identified in this Form have the meanings given unless the context otherwise requires.

Reference to any provision of the Trust Deed shall after the coming into force of any amendment of that provision of the Trust Deed be read (unless the context otherwise requires) as referring to the amended provision or to the Trust Deed as so amended (as the case may be).

Amount due or owing on the mortgage or charge (continued)

Losses shall always take priority over Unearned Premium in the payment of claims so that the Trustee shall pay all Matured Claims for Losses in full prior to payment of any part of a Matured Claim for Unearned Premium. The Trustee shall pay a Matured Claim for Unearned Premium after receipt of a Claim for Losses which has not yet become a Matured Claim for any reason.

3. Transfers by the Trustee at the direction from time to time of the Council of any funds in excess of the Trust Fund Minimum Amount (and subject to the Trustee's interests provided in the Trust Deed) to each trust fund relating to the Lloyd's underwriting business of the Current Contributors from which one or more Current Contributions have been made and to each Current Contributor who has made one or more direct Current Contributions.
4. Repayment of cash or securities advanced by the Trustee (in its individual capacity or through any subsidiary, affiliate or associate of the Trustee) to the Trust to effect or expedite the purchase or sale of securities for the Trust, the property so purchased or the proceeds from the sale being security for repayment of the cash or securities advanced in connection with the purchase or sale of such property and the Trustee (in its individual capacity or through any subsidiary affiliate or associate of the Trustee) being further entitled to reimbursement from the Trust of any portion of any such advance not reimbursed as a Trustee Priority Claim.
5. The transfer by the Trustee to the Domiciliary Commissioner or other designated Receiver (to be distributed in compliance with applicable state law) pursuant to an order of the Domiciliary Commissioner or U.S. court of competent jurisdiction of all of the assets of the Trust Fund except those assets which are necessary to satisfy the Trustee's Priority Claims or to reimburse the Trustee for funds or securities advanced pursuant to paragraph 3.18 of the Trust Deed.
6. Transfers by the Trustee to Current Contributors under paragraph 4.5 of the Trust Deed.
7. The payment of Claims ordered by a court of competent jurisdiction during the 12 month period commencing on the date the Trustee receives written notice that the Lloyd's market has ceased trading as set forth in paragraph 4.1(a) of the Trust Deed or the date the Trustee is required to transmit a notice to the Agent pursuant to paragraph 4.1(b) of the Trust Deed, unless the insolvency has been cured within the sixty (60) day period as provided for in that paragraph, whichever occurs first.

"American Policy" shall mean

- (i) any contract or policy of insurance issued or any agreement to insure made by one or more Underwriters pursuant to surplus lines or excess lines laws of any state, district, territory, commonwealth or possession of the United States in which Underwriters are not licensed to do an insurance business; provided that, with the exception of such Policies attaching on or prior to November 15, 1995 underwritten under any binding authority incepting prior to August 1, 1995, and subject to (ii) below, such Policy shall not include any contract or policy of insurance (of any agreement to insure) incepting on or after August 1, 1995, which is (or is to be) underwritten by Underwriters on or after August 1, 1995; or
- (ii) any contract or policy of insurance or any agreement to insure which satisfies the definition of an American Policy as set forth in Lloyd's United States Situs Surplus Lines Trust Deed as prescribed from time to time by Council.

"Claim" shall mean: (i) a claim against one or more Underwriters by a Policyholder, as defined in the Trust Deed, or Third-Party Claimant, for a loss under an American Policy excluding punitive and/or exemplary damages awarded to or against a Policyholder and also excluding any extracontractual obligations not expressly covered by the American Policy ("Loss"); or (ii) a claim against one or more Underwriters by a Policyholder for the return of unearned premium under an American Policy ("Unearned Premium").

(continued overleaf).

"Council" shall mean the Council of Lloyd's or the Committee of Lloyd's or (in relation to any power or discretion which is vested in the Council by the Trust Deed but which has for the time being delegated by the Council to the Committee of Lloyd's or to the Chairman or a Deputy Chairman of the Committee of Lloyd's pursuant to the provisions of section 6(b) of Lloyd's Act 1982) the Committee of Lloyd's or the Chairman or a Deputy Chairman of Lloyd's as the case may be or such other person or persons (including Lloyd's Signatory) as are for the time being authorised by the Council of Lloyd's to exercise any power or discretion which is vested in the Council by the Trust Deed.

"Domiciliary Commissioner" shall mean the Chief Regulatory Officer for Insurance of the United States jurisdiction in which the Trust Fund is principally maintained and administered, identified on page one of the Trust Deed (namely the State of New York).

"Lloyd's Signatory" shall mean the person or persons for the time being authorised by the Council of Lloyd's for that purpose and designated in writing to the Trustee (pursuant to authority given by the Underwriters) to act on behalf of Underwriters and Current Contributors under the Trust Deed and to give or receive any notice or certification to Underwriters and Current Contributors under the Trust Deed.

"Matured Claim" means a Claim which is enforceable against the Trust Fund as provided for in paragraph 2.3 of the Trust Deed.

"Policyholder" for the purposes of the Trust Deed, shall mean the holder of an American Policy resident or doing business in the United States, and any other persons or associations who are assignees, pledgees or mortgagees named therein.

"Receiver" shall mean for the purposes of this Agreement, the Domiciliary Commissioner or such other person as may be appointed by a court of competent jurisdiction or designated by the statute of a state, territory, district, commonwealth or possession of the United States.

"Third-Party Claimant" is one not a party to the insurance contract but having a final judgment or arbitration award against Underwriters for Claims or Loss covered by an American Policy.

"Trust Fund Minimum Amount" shall mean the minimum amount which Underwriters are required by law to maintain in the Trust Fund, as notified by the Council to the Trustee in writing, being in no event less than US\$104,000,000.

"Underwriters" means underwriters at Lloyd's London and such former underwriters at Lloyd's London as continue to have underwriting business at Lloyd's not fully wound up and the personal representatives or trustee in bankruptcy of any such underwriter or former underwriter who has died or become bankrupt.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

Continuation sheet No 3
to Form No 395 and 410 (Scot)

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Names and addresses of the mortgagees or persons entitled to the charge (continued)

- (1) those to whom any amount is or may at any time become payable to satisfy Trustee Priority Claims or claims to be treated as Trustee Priority Claims under the Trust Deed;
- (2) those to whom any amount is or may at any time become payable to satisfy Matured Claims;
- (3) those for whose benefit any trust fund relating to the Lloyd's underwriting business of Current Contributors is at any time held, and the trustees of any such trust fund;
- (4) the Domiciliary Commissioner;
- (5) any designated Receiver;
- (6) any subsidiary, affiliate or associate of the Trustee;
- (7) those for whose benefit any order for any transfers by the Trustee to the Domiciliary Commissioner or other designated Receiver of assets of the Trust Fund, except those assets which are necessary to satisfy the Trustee's Priority Claims or to reimburse the Trustee for funds or securities advanced, may be made by the Domiciliary Commissioner or U.S. court of competent jurisdiction;
- (8) the Superintendent of Insurance of the State of New York;
- (9) the IID and Non-Domiciliary Commissioners.

"Non-Domiciliary Commissioner" shall mean the Chief Regulatory Officer for Insurance other than the Domiciliary Commissioner in any state, territory, district, commonwealth or possession of the United States in which the Underwriters have Policyholders and who has provided the Trustee with written notice that he or she requires any notification required to be made to the Domiciliary Commissioner pursuant to this Deed of Trust.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)
Particulars of a mortgage or charge
(continued)

Continuation sheet No 4
to Form No 395 and 410 (Scot)

CHA 233

Short particulars of all the property mortgaged or charged (continued)

8. The collateral for any securities lending transaction held pursuant to the Trust Deed.

"Letter of Credit" means a clean, unconditional, irrevocable letter of credit in favor of the Trustee which satisfies the requirements of New York Insurance Law and which is issued or confirmed by a Qualified United States Financial Institution.

"Qualified United States Financial Institution" means an institution that:

- (a) is organised and licensed (or in the case of a US office of a foreign banking organisation, licensed) under the laws of the United States or any state thereof;
- (b) is regulated, supervised and examined by US federal or state authorities having regulatory authority over banks and trust companies;
- (c) has been determined by the Securities Valuation Office of the National Association of Insurance Commissioners ("NAIC") as an acceptable financial institution; and
- (d) has been granted authority to operate with trust powers, as a qualified United States financial institution, to act as the fiduciary of the trust.

"Readily Marketable Securities" means securities readily marketable on regulated United States national or principal regional security exchanges or those determined by the Securities Valuation Office of the NAIC to warrant an NAIC designation of 1 or 2.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 04195559

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN AMENDMENT AND RESTATEMENT LLOYD'S AMERICAN SURPLUS OR EXCESS LINES INSURANCE JOINT ASSET TRUST DEED ("THE TRUST DEED") DATED SEPTEMBER 7, 1995 (AS AMENDED AND AS SUPPLEMENTED FROM TIME TO TIME AND AS SUPPLEMENTED BY A DEED OF ACCESSION MADE 3 JANUARY 2002) AND DATED THE 1st JANUARY 2002 AND CREATED BY LYMINGTON UNDERWRITING LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE TRUSTEE (BEING, AS AT THE DATE HEREOF, CITIBANK N.A.) LLOYD'S, ALL POLICYHOLDERS AND THIRD-PARTY CLAIMANTS AND CERTAIN OTHER PERSONS OR BODIES (AS FURTHER DEFINED ON FORM M395) UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st JANUARY 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th JANUARY 2002.

Lloyd
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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —